

TL PARTNERS I, LP

April 11, 2018

Mr. Andrew Thomas
Assistant Community Development Director
Planning Department
2263 Santa Clara Avenue
Alameda, CA 94501

The City of Alameda, a municipal corporation of the State of California (the "City"), and TL Partners I, LP, a California limited partnership ("Developer") entered into that certain Development Agreement for the Del Monte Warehouse Project dated January 17, 2015 (the "Development Agreement"). Developer is submitting this annual review document in accordance with the Development Agreement and pursuant to the requirements of Government Code Section 65865.1 and Alameda Municipal Code Section 30-95.1. This letter will report on activities and developments taking place between January 1, 2017 and December 31, 2017 ("Annual Review Period"), and contains a summary of Developer's efforts toward good faith compliance with the terms of the Development Agreement.

Specific commentary is required on the status of the Jean Sweeney Contribution (Section 6.a), Clement Extension (Section 6.b), Transit Demand Management Program (Section 6.c), Retail/Commercial Space leasing (Section 6.d), execution of the Beneficial Transfer Fee Agreement (Section 6.e) and an Affordable Housing Agreement (Section 6.g). When the project's Transportation Management Agency (TMA) publishes an annual report, that TMA annual report shall satisfy the annual reporting requirement for the Transit Demand Management Program (Section 6.c).

JEAN SWEENEY OPEN SPACE PARK:

Developer is obligated to pay a total of \$2,000,000 to fund portions of the Jean Sweeney Open Space Park ("JSOSP"), a 23-acre planned park. Using the Developer's \$2 Million contribution as matching funds, the City secured a \$2 Million grant from the California Department of Parks and Recreation, and when combined, these funds cover approximately half of the improvements required to complete the park. The City has also received \$2.3 Million from the Regional Active Transportation Program, specifically for completion of the Cross Alameda Trail, which runs the length of the park.

Prior to 2017, Developer made its required \$300,000 Soft Cost Contribution. In 2017, Developer made additional payments totaling \$1,000,000, by paying installments that were due in June (\$250,000) and September (\$750,000). One additional payment in the amount of \$500,000 was also made in early January 2018; the final payment is due in April 2018. These contributions have helped the Recreation and Parks Department to begin construction of the easterly portion of JSOSP and the Cross-Alameda trail during the Annual Review Period. A groundbreaking ceremony was held in October at the site, and work is continuing.

CLEMENT EXTENSION:

Developer is required to complete improvements to a portion of Clement Avenue from Atlantic Avenue to Entrance Road, including a new intersection and signal at Sherman, Clement, and Atlantic and installation of stop signs at the following intersections: Buena Vista/Entrance Road and Clement/Entrance Road (the "Clement Extension"). Developer needed to acquire a portion of the improvement area from the adjacent Wind River property before it could construct all improvements, and in July 2017, after four years of negotiations, Developer acquired the property needed to complete these improvements from Wind River. Plan check is nearing completion for these improvements.

TRANSPORTATION DEMAND MANAGEMENT PROGRAM:

Developer is obligated to implement its Transportation Demand Management (TDM) Program prior to the first certificate of occupancy. Since this is not anticipated until 2018, none of the implementation measures, which include establishment of the Transportation Management Association (TMA), provision of a shuttle to BART and to provide AC Transit passes to each household, were required to be completed in 2017.

Developer has, however, been working diligently with the City to begin implementation of the TDM plan. In 2016, Developer was instrumental in working with the City and AC Transit to implement the reinitiated Line 19 to Buena Vista Avenue, and Developer is helping to subsidize the Line 19 implementation, allowing the Line to offer 20-minute service during commute hours. The Line 19 continued to operate through the Annual Review Period.

Moreover, Developer worked closely with the city and other developers throughout the Annual Review Period to create a new transportation demand management entity, Alameda Transportation Management Association (ATMA) which now operates the TDM programs for two project areas, Alameda Point and the Northern Waterfront, of which Del Monte is a member. Mike O'Hara of Tim Lewis Communities serves as the ATMA Board chair. Developer has continued its efforts

to get the ATMA fully functional during 2017 and as such is well ahead of schedule for implementation of the TDM program required for Del Monte.

RETAIL/COMMERCIAL LEASING:

Current plans include a minimum of 30,000 square feet of ground floor neighborhood-serving retail/commercial space within the Project, in accordance with the Master Plan. Leasing will commence with building completion.

BENEFICIAL TRANSFER FEE AGREEMENT:

The Beneficial Transfer Fee Agreement was executed concurrently with the Development Agreement in 2015.

AFFORDABLE HOUSING AGREEMENT:

Prior to issuance of the first building permit for the Project, Developer was obligated to submit for City Council's review and approval, an Affordable Housing Agreement for the provision of fifty-five (55) affordable housing units, consistent with the requirements of the Master Plan and in a form acceptable to the City Attorney. In 2015, the Planning Board approved the Development Plan and Design Review for the 31-unit low- and very low-income senior affordable building. Also in 2015, the City Council approved the Affordable Housing Agreement and the agreement to convey the City of Alameda owned portion of the property (which will contain the future senior affordable building), to the Housing Authority of the City of Alameda ("the Housing Authority").

In late 2016, Developer and the City conveyed property to the Housing Authority, and the Housing Authority was able to raise all of the capital and debt necessary to commence construction, which included a subsidy payment of \$3.6 Million by Developer. In early 2017, the Housing Authority commenced construction of the building, which is now nearing completion, with first occupancies anticipated in 2018. Developer has provided support for completion of the improvements necessary to serve the building.

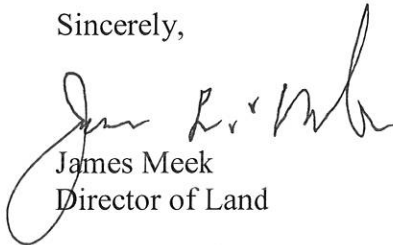
OTHER INFORMATION:

Developer worked throughout the Annual Review Period with its design team to complete the construction drawings and improvement plans for the Del Monte Warehouse building. Construction drawing plan review is complete and building permits are expected by mid-2018, at which time Developer anticipates commencement of infrastructure improvements on the site, with building construction commencing soon thereafter.

Developer has met regularly during the Annual Review Period with City staff to ensure that the Development Agreement and all subsequent approvals were being implemented in a timely fashion.

Please let us know if you require additional information regarding the Annual Review.

Sincerely,

A handwritten signature in black ink, appearing to read "James Meek", is written over the printed name and title.

James Meek
Director of Land